

CANE RIVER WATERWAY COMMISSION**FINANCIAL REPORT****JUNE 30, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11-16-05

Cane River Waterway Commission
Financial Report
June 30, 2005

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CANE RIVER WATERWAY COMMISSION

**P.O. Box 2300
Natchitoches, LA 71457**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis is an element of the reporting model adopted by the *Governmental Accounting Standards Board (GASB)* in their Statement No. 34. Certain comparative information has been presented to provide an overview of the Commission's operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Assets

| | <u>2005</u> | <u>2004</u> |
|--|--------------------|--------------------|
| ASSETS: | | |
| Assets | \$1,267,871 | \$1,153,106 |
| Capital Assets, Net of Accumulated Depreciation | <u>339,301</u> | <u>316,610</u> |
| Total Assets | \$1,607,172 | \$1,469,716 |
| LIABILITIES: | | |
| Accounts Payables | <u>0</u> | <u>6,292</u> |
| Net Assets | <u>\$1,607,172</u> | <u>\$1,463,424</u> |
| NET ASSETS: | | |
| Investment in Capital Assets, Net of Related Debt | \$ 339,301 | \$ 316,610 |
| Unrestricted | <u>1,267,871</u> | <u>1,146,814</u> |
| Total Net Assets | <u>\$1,607,172</u> | <u>\$1,463,424</u> |

Summary of Statement of Activities

| | <u>2005</u> | <u>2004</u> |
|----------------------|------------------|------------------|
| REVENUES: | | |
| General Revenues: | | |
| Taxes | \$200,859 | \$178,916 |
| Interest | 51,557 | 0 |
| Other | <u>1,927</u> | <u>5,477</u> |
| Total Revenues | <u>\$254,343</u> | <u>\$184,393</u> |
| EXPENSES: | | |
| Public Safety | \$ 97,955 | \$ 70,898 |
| General Government | <u>12,640</u> | <u>49,386</u> |
| Total Expenses | <u>\$110,595</u> | <u>\$120,284</u> |
| Change in Net Assets | <u>\$143,748</u> | <u>\$ 64,109</u> |

- This Commission's assets exceeded its liabilities by \$1,607,172 (net assets) for the current year and \$1,463,424 for the prior year.
- For the year ended June 30, 2005, unrestricted net assets of \$1,267,871 represent the portion available to maintain the Commission's obligation to both citizens and creditors. This is an increase of \$121,057 from the prior year.

General Fund Budgetary Highlights

The actual revenues were \$36,260 more than the budgeted amount for the year and expenses were \$13,514 less than the budgeted amount for the year.

Economic Factors and Next Year's Budget

The primary revenue source for the Commission is property taxes. This tax is not subject to changes in the economy, in the short-term. However, in the long-term, significant increases/decreases in the tax base would be evident. The General Fund budget for FY 2005/2006 should not change significantly over the prior year; however, with the proposed new complex for the Commission, the Capital Projects Fund will increase significantly in expenditures over the prior year.

Contacting the Commission

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Commission at P. O. Box 2300, Natchitoches, LA 71457.

Johnson, Thomas & Cunningham
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation

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ACCOUNTANT'S REVIEW REPORT ON THE FINANCIAL STATEMENTS

To the Board of Commissioners
Cane River Waterway Commission
P.O. Box 2300
Natchitoches, LA 71457

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the Cane River Waterway Commission (Commission) as of and for the year ended June 30, 2005, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the *American Institute of Certified Public Accountants*. All information included in these financial statements is the representation of management of the Commission.

A review consists principally of inquiries of Commission personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The Management's Discussion and Analysis and budgetary comparison information on pages 1 through 4 and 23 through 25, are not a required part of the basic financial statements but are supplementary information required by the *Governmental Accounting Standards Board*. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated September 25, 2005, on the results of our agreed-upon procedures.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

September 25, 2005
Natchitoches, LA 71457

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Cane River Waterway Commission
Statement of Net Assets
June 30, 2005

| | Governmental <u>Activities</u> |
|---|-----------------------------------|
| ASSETS: | |
| Current Assets: | |
| Cash & Cash Equivalents | \$1,267,871 |
| Non-current Assets: | |
| Capital Assets (Net) | <u>339,301</u> |
| Total Assets | <u>\$1,607,172</u> |
| LIABILITIES: | |
| Liabilities: | |
| Accounts Payable | \$ <u>0</u> |
| NET ASSETS: | |
| Invested in Capital Assets, Net of Related Debt | \$ 339,301 |
| Unrestricted | <u>1,267,871</u> |
| Total Net Assets | <u>\$1,607,172</u> |

See accompanying notes and accountant's report.

Cane River Waterway Commission
Statement of Activities
June 30, 2005

| <u>Activities</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expenses) Revenues and Changes in Net Assets Governmental Activities</u> |
|----------------------------------|------------------|-------------------------------------|---|--|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | |
| Governmental Activities: | | | | |
| General Government | \$ 12,640 | \$0 | \$0 | \$ (12,640) |
| Public Safety | <u>97,955</u> | <u>0</u> | <u>0</u> | <u>(97,955)</u> |
| Total Governmental Activities | <u>\$110,595</u> | <u>\$0</u> | <u>\$0</u> | <u>\$ (110,595)</u> |
| General Revenues: | | | | |
| Taxes: | | | | |
| Property Taxes | | | | \$ 200,859 |
| Interest/Gain on Investments | | | | 51,557 |
| Other | | | | <u>1,927</u> |
| Total General Revenues | | | | <u>\$ 254,343</u> |
| Change in Net Assets | | | | \$ 143,748 |
| Net Assets June 30, 2004 | | | | <u>1,463,424</u> |
| Net Assets June 30, 2005 | | | | <u>\$1,607,172</u> |

See accompanying notes and accountant's report.

FUND FINANCIAL STATEMENTS

Cane River Waterway Commission
Balance Sheet-Governmental Funds
June 30, 2005

| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Total</u> |
|------------------------------------|-------------------------|----------------------------------|--------------------|
| Assets: | | | |
| Cash & Cash Equivalents | <u>\$262,679</u> | <u>\$1,005,192</u> | <u>\$1,267,871</u> |
| Total Assets | <u>\$262,679</u> | <u>\$1,005,192</u> | <u>\$1,267,871</u> |
| Liabilities: | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 0 |
| Fund Balance: | | | |
| Unreserved | <u>262,679</u> | <u>1,005,192</u> | <u>1,267,871</u> |
| Total Liabilities and Fund Balance | <u>\$262,679</u> | <u>\$1,005,192</u> | <u>\$1,267,871</u> |

See accompanying notes and accountant's report.

Cane River Waterway Commission
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2005

| | |
|---|-------------|
| Total Fund Balance for the Governmental Funds at June 30, 2005 | \$1,267,871 |
|---|-------------|

Total Net Assets reported for Governmental Activities
in the Statement of Net Assets is different because:

Capital Assets used in Governmental Activities are not
financial resources and, therefore, are not reported
in the fund. Those assets consist of:

| | |
|--|----------------|
| Land, Equipment, Buildings, and Vehicles, Net of Accumulated Depreciation | <u>339,301</u> |
|--|----------------|

| | |
|---|--------------------|
| Total Net Assets of Governmental Activities at June 30, 2005 | <u>\$1,607,172</u> |
|---|--------------------|

See accompanying notes and accountant's report.

Cane River Waterway Commission
Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Funds
Year Ended June 30, 2005

| | <u>Major Funds</u> | | |
|---|-------------------------|----------------------------------|--------------------|
| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Total</u> |
| REVENUES: | | | |
| Ad Valorem Tax | \$200,859 | \$ 0 | \$ 200,859 |
| Interest | 3,274 | 35,899 | 39,173 |
| Other | <u>1,927</u> | <u>0</u> | <u>1,927</u> |
| Total Revenues | <u>\$206,060</u> | <u>\$ 35,899</u> | <u>\$ 241,959</u> |
| EXPENDITURES: | | | |
| General Government- | | | |
| Per Diem | \$ 2,400 | \$ 0 | \$ 2,400 |
| Office Expense/Telephone | 2,962 | 0 | 2,962 |
| Legal/Accounting | 4,075 | 0 | 4,075 |
| Insurance | <u>3,203</u> | <u>0</u> | <u>3,203</u> |
| Total General Government | <u>\$ 12,640</u> | <u>\$ 0</u> | <u>\$ 12,640</u> |
| Public Safety- | | | |
| Personnel Services | \$ 56,146 | \$ 0 | \$ 56,146 |
| Operations | 19,500 | 0 | 19,500 |
| Capital Outlay | <u>45,000</u> | <u>0</u> | <u>45,000</u> |
| Total Public Safety | <u>\$120,646</u> | <u>\$ 0</u> | <u>\$ 120,646</u> |
| Total Expenditures | <u>\$133,286</u> | <u>\$ 0</u> | <u>\$ 133,286</u> |
| Excess of Revenues over Expenditures | \$ 72,774 | \$ 35,899 | \$ 108,673 |
| OTHER FINANCING SOURCES (USES): | | | |
| Gain on Investments | <u>0</u> | <u>12,384</u> | <u>12,384</u> |
| Excess of Revenues and Other Sources over Expenditures and Other Uses | \$ 72,774 | \$ 48,283 | \$ 121,057 |
| Fund Balance-Beginning of Year | <u>189,905</u> | <u>956,909</u> | <u>1,146,814</u> |
| Fund Balance-End of Year | <u>\$262,679</u> | <u>\$1,005,192</u> | <u>\$1,267,871</u> |

See accompanying notes and accountant's report.

Cane River Waterway Commission
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2005

| | |
|--|-----------|
| Total Net Change in Fund Balance at June 30, 2005, per Statement of Revenues, Expenditures and Changes in Fund Balance | \$121,057 |
|--|-----------|

The Change in Net Assets
reported for Governmental Activities
in the Statement of Activities is different because:

| | |
|--|--------|
| Capital Outlay costs which are considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance, are shown as increases in assets on the Statement of Net Assets | 45,000 |
|--|--------|

| | |
|--|-----------------|
| Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense for the year ended June 30, 2005 | <u>(22,309)</u> |
|--|-----------------|

| | |
|--|------------------|
| Total changes in Net Assets at June 30, 2005, per Statement of Activities | <u>\$143,748</u> |
|--|------------------|

See accompanying notes and accountant's report.

NOTES TO FINANCIAL STATEMENTS

Cane River Waterway Commission
Notes to Financial Statements
June 30, 2005

Introduction:

The Cane River Waterway Commission was created by the State of Louisiana, under R.S. 3261. The Waterway Commission is composed of all of the territory located within the Parish of Natchitoches. The Commission was created for operating and maintaining a navigable waterway system known as the Cane River Waterway, which is located entirely in Natchitoches Parish. The governing board administers the operations and responsibilities of the commission in accordance with the provisions of Louisiana Statutes. Members of the commission board are appointed by the Governor of Louisiana.

1. Summary of Significant Accounting Policies:

A. Reporting Entity-

The Commission, for financial purposes, includes all of the funds relevant to the operations of the Commission. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Cane River Waterway Commission.

The Division of Administration of the State of Louisiana has determined that the Cane River Waterway Commission is a primary government and not a component unit or agency of the state government for financial reporting purposes.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Cane River Waterway Commission
Notes to Financial Statements
June 30, 2005

C. Fund Accounting-

The accounts of the Commission are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Commission maintains two funds. They are categorized as governmental funds. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity. The Commission considers both of its governmental funds to be major.

The major funds of the Commission are described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Project Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition on construction of major capital facilities, other than those financed through another fund.

D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Commission as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Cane River Waterway Commission
Notes to Financial Statements
June 30, 2005

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Commission considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities, and Equity-

Cash and Cash Equivalents-

For purposes of the Statement of Net Assets, cash and cash equivalents include all demand accounts, savings accounts, and certificates of deposit of the Commission. The Commission may also purchase investments in securities backed by the faith and credit of the United States Government.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Commission maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

| | |
|----------------------|----------|
| Furniture, computers | 5 years |
| Radios | 10 years |
| Buildings/Landings | 40 years |
| Boats | 7 years |

Cane River Waterway Commission
Notes to Financial Statements
June 30, 2005

Equity Classifications-

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt---Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets---Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets---All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

F. Budget-

Prior to the beginning of each fiscal year, the Cane River Waterway Commission adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

G. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents:

At June 30, 2005, the Cane River Waterway Commission had cash and cash equivalents totaling \$1,268,071 (collected bank balances). Cash and cash equivalents are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or

Cane River Waterway Commission
Notes to Financial Statements
June 30, 2005

the pledge of securities owned by the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the Commission. The deposits at June 30, 2005, were secured as follows:

| | <u>Cash</u> | <u>Certificates of Deposits</u> | <u>U. S. Government Securities</u> | <u>Total</u> |
|-------------------------------|-------------|-------------------------------------|--|--------------|
| Collected Balances | \$54,139 | \$377,541 | \$836,391 | \$1,268,071 |
| Insured by FDIC | \$54,139 | \$ 0 | \$ 0 | \$ 54,139 |
| Insured by Pledged Securities | 0 | 377,541 | 0 | 377,541 |
| U. S. Government Securities | 0 | 0 | 836,391 | 836,391 |
| Uninsured Balances | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

3. Compensated Absences:

The Waterway Commission has no employees, and therefore has no vacation and sick leave policies or liabilities. The Natchitoches Parish Sheriff's Office employs the Commission's personnel, and is reimbursed by the Commission for expenses incurred.

4. Lease Commitments:

The Waterway Commission entered into a lease with a private citizen in 1998 to lease land for a parking lot at a commission boat launch. The lease runs from 8-1-98 to 7-31-08 for a total price of \$2,000, which amounts to \$200 per year.

5. Capital Assets:

Capital Asset balances and activity for the year ended June 30, 2005, is as follows:

| <u>Activities</u> | <u>Balance 07-01-04</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 06-30-05</u> |
|---------------------------------|-----------------------------|------------------|------------------|-----------------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 52,000 | \$45,000 | \$ 0 | \$ 97,000 |
| Capital Assets Depreciated: | | | | |
| Buildings/Boat Launches | 334,874 | 0 | 0 | 334,874 |
| Radios | 5,283 | 0 | 0 | 5,283 |
| Equipment | 5,192 | 0 | 0 | 5,192 |
| Boats/Motors | 56,925 | 0 | 7,680 | 49,245 |
| Total Assets | \$454,274 | \$45,000 | \$7,680 | \$491,594 |

Cane River Waterway Commission
Notes to Financial Statements
June 30, 2005

| <u>Activities</u> | <u>Balance 07-01-04</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 06-30-05</u> |
|---------------------------------|-----------------------------|------------------|------------------|-----------------------------|
| Less, Accumulated Depreciation: | | | | |
| Buildings/Boat Launches | \$ 95,549 | \$16,814 | \$ 0 | \$112,363 |
| Radios | 3,944 | 547 | 0 | 4,491 |
| Equipment | 4,834 | 89 | 0 | 4,923 |
| Boats/Motors | <u>33,337</u> | <u>4,859</u> | <u>7,680</u> | <u>30,516</u> |
| Total Depreciation | <u>\$137,664</u> | <u>\$22,309</u> | <u>\$7,680</u> | <u>\$152,293</u> |
| Net Capital Assets | <u>\$316,610</u> | <u>\$22,691</u> | <u>\$ 0</u> | <u>\$339,301</u> |

Depreciation expense of \$22,309 was charged to the public safety functions.

6. Levied Taxes:

The Commission is empowered to levy property tax millages to finance its general operations. The Commission levies taxes on real and business property located within the boundaries of the Commission. Property taxes are levied by the Commission based on property values assessed by the Natchitoches Parish Assessor, and approved by the State of Louisiana Tax Commission.

The Natchitoches Parish Sheriff's Office bills and collects property taxes for the Commission. Collections are remitted to the Commission monthly.

The property taxes collected this fiscal year were levied on property with an assessed value of \$182,800,230. Louisiana law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$43,365,750 for 2005, leaving a taxable base of \$139,434,480. For the year ended June 30, 2005, the Commission levied the following taxes:

General Corporate Purposes 1.5 mill

Property Tax Calendar

| | |
|----------------------------|-------------------|
| Assessment date | January 1, 2004 |
| Levy date | June 30, 2004 |
| Tax bills mailed | October 15, 2004 |
| Total taxes are due | December 31, 2004 |
| Penalties & interest added | January 31, 2005 |
| Lien date | January 31, 2005 |
| Tax sale | May 15, 2005 |

Property tax collections for the year ended June 30, 2005, were \$200,859, and \$178,916 for the year ended June 30, 2004.

Cane River Waterway Commission
Notes to Financial Statements
June 30, 2005

7. Pending Litigation:

There were no civil suits seeking damages against the Commission outstanding at June 30, 2005.

8. Related Party Transactions:

The Commission had no identified related party transactions for the year ended June 30, 2005.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

Cane River Waterway Commission
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2005

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u> |
|--------------------|------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Ad Valorem Tax | \$169,000 | \$169,000 | \$200,859 | \$31,859 |
| Interest | 800 | 800 | 3,274 | 2,474 |
| Other | <u>0</u> | <u>0</u> | <u>1,927</u> | <u>1,927</u> |
| Total Revenues | <u>\$169,800</u> | <u>\$169,800</u> | <u>\$206,060</u> | <u>\$36,260</u> |
| EXPENDITURES: | | | | |
| Per Diem | \$ 6,000 | \$ 6,000 | \$ 2,400 | \$ 3,600 |
| Office/Telephone | 3,000 | 3,000 | 2,962 | 38 |
| Legal/Accounting | 6,000 | 6,000 | 4,075 | 1,925 |
| Insurance | 5,000 | 5,000 | 3,203 | 1,797 |
| Personnel | 56,000 | 56,000 | 56,146 | (146) |
| Operations | 23,800 | 23,800 | 19,500 | 4,300 |
| Capital Outlay | <u>2,000</u> | <u>47,000</u> | <u>45,000</u> | <u>2,000</u> |
| Total Expenditures | <u>\$101,800</u> | <u>\$146,800</u> | <u>\$133,286</u> | <u>\$13,514</u> |

Cane River Waterway Commission
Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2005

| | <u>Budget</u> | | <u>Actual</u> | Variance Favorable (Unfavorable) |
|---------------------------------|-----------------|--------------|---------------|--|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Interest | \$0 | \$0 | \$35,899 | \$35,899 |
| EXPENDITURES: | | | | |
| Capital Outlay | \$0 | \$0 | \$0 | \$0 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Gain on Investments | \$0 | \$0 | \$12,384 | \$12,384 |

SUPPLEMENTARY INFORMATION

Cane River Waterway Commission
Schedule of Per Diem Paid to Board Members
Year Ended June 30, 2005

| <u>Name</u> | <u>Amount</u> |
|-------------------|----------------|
| Danny Matt | \$ 500 |
| Kenneth Prudhomme | 300 |
| Luther Lott, Jr. | 500 |
| C. D. Brazzel | <u>1,100</u> |
| Total | <u>\$2,400</u> |

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation

Roger M. Cunningham, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Cane River Waterway Commission
P. O. Box 2300
Natchitoches, LA 71457

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Cane River Waterway Commission and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Cane River Waterway Commission's compliance with certain laws and regulations during the year ended June 30, 2005, included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW

1. Select all expenditures made during the year for materials and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures found to be in violation.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Not applicable.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

Not applicable.

BUDGETING

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There was one amendment to the budget during the year.

6. Trace the budget adoption to the minute book.

We traced the adoption of the budget and amendment to the minutes of the Commission. They were adopted by a unanimous decision.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures and revenues for the year were within the 5% variance allowed.

ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee:

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account:

Each disbursement appeared to be coded correctly.

- (c) determine whether payments received approval from proper authorities:

Inspection of supporting documentation showed written approval. In addition, non-recurring entries were discussed and approved in the minutes.

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Commission is only required to post a notice of each meeting and the accompanying agenda on the door of the Commission's office building. Management has asserted that such documents were properly posted.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or any other indebtedness which have not been approved by the State Bond Commission.

We inspected copies of all bank deposits for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or other indebtedness that had not been approved by the State Bond Commission.

ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

No violations found.

Our prior report, dated November 16, 2004, contained no findings or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Cane River Waterway Commission and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

September 25, 2005
Natchitoches, Louisiana

CANE RIVER WATERWAY COMMISSION

P. O. Box 2300
Natchitoches, LA 71457

LOUISIANA ATTESTATION QUESTIONNAIRE

Johnson, Thomas & Cunningham, CPA's
321 Bienville Street
Natchitoches, LA 71457

In connection with your review of our financial statements as of June 30, 2005, and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of September 17, 2005.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes X No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes X No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes X No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14 or the budget requirements of LSA-RS 39:43.

Yes X No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes X No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:453, and/or 39:92, as applicable.

Yes X No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes X No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes X No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes X No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 72-729.

Yes X No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Chairman *C. D. Brazell, Jr.* Date *9/17/05*

Note - Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contact with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.